

REMARKS

Reconsideration of this application is respectfully requested.

I Status of the Claims

Claims 1-7, 12-14 and 18-31 have been canceled without prejudice or disclaimer of the subject matter therein.

Claims 8-11 and 17 have been rejected and claims 15 and 16 have been objected to by the Examiner.

Claims 8, 10 and 15-17 have been amended with no new matter added.

Claims 8-11 and 15-17 are pending.

II. Allowable Subject Matter

The Examiner has indicated that the subject matter of claims 15 and 16 is allowable if amended to independent form. Applicants thank the Examiner for the recognition of the allowable subject matter. Applicants have amended the claims 15 and 16 to independent form and respectfully submit that claims 15 and 16 are in condition for allowance.

III. Rejections Under 35 U.S.C. § 112

The Examiner has rejected claim 17 under 35 U.S.C. § 112, second paragraph, as being indefinite. The Examiner states that the claim is confusing as it claims a third and fourth magnetic thin film, but does not mention a first or second magnetic thin film. Applicants respectfully traverse the rejection to claim 17. Claim 17, as amended, depends from claim 15, which claims a first and second magnetic film. Therefore, claim 17, as amended, is not confusing or indefinite. Applicants

IV. Rejection Under 35 U.S.C. § 103(a)

Applicants respectfully traverse the Examiner's rejection. Lew does not disclose or suggest all of the presently claimed steps and thus the Examiner has failed to establish a *prima facie* case of obviousness. Lew does not disclose or suggest a process for dispersing the magnetic fine particles of the presently claimed invention. The magnetic film particles of the present invention are defined in the Specification as "metal-non-metal," meaning the magnetic film particles are surrounded by a non-metal film. *See*, Specification, page 20, line 14. Utilizing the magnetic film particles surrounded by the non-metal film, in comparison to magnetic thin films formed with entirely (metal) magnetic fine particles, in the manufacture of the magnetic thin film results in a magnetic thin film with a large electrical resistance and excellent soft magnetic qualities in high frequency


regions. *See*, Specification, page 20, lines 17-18. Low only discloses a process of dispersing metal particles in a resin and does not teach or suggest a process of dispersing magnetic film particles surrounded by a non-metal film as claimed in the present invention. Claims 8 and 10 have been amended to clarify that the magnetic film particles of the present invention are surrounded by a non-metal film. Therefore, Applicants respectfully request the Examiner withdraw the rejection to claims 8-11.

CONCLUSION

In view of the foregoing, it is believed that claims 8-11 and 15-17 are in condition for allowance and is respectfully requested that the application be reconsidered and that all pending claims be allowed.

If there are any other issues remaining which the Examiner believes could be resolved through either a Supplemental Response or an Examiner's Amendment, the Examiner is respectfully requested to contact the undersigned at the telephone number indicated below.

Respectfully submitted,


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